

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-013-C - ORDER NO. 96-171✓
MARCH 8, 1996

IN RE: Request of Farmers Telephone Cooperative,) ORDER
Inc. for Extraordinary Retirement to be) GRANTING
Amortized over a Five (5) Year Period.) REQUEST

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Request of Farmers Telephone Cooperative, Inc. (Farmers or the Company) for Approval of extraordinary retirement of certain facilities resulting from a major upgrade of its Central Office equipment. The Company proposes to amortize this extraordinary retirement over five (5) years. The Company states in its Request that this proposal will not cause a rate increase for its customers.

The Commission's Executive Director instructed Farmers to publish one time a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Farmers' Application, and of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Farmers complied with this instruction and provided the Commission

with proof of publication of the Notice of Filing. No protests or Petitions to intervene were filed in this matter.

In its December 28, 1995 Request, Farmers stated that in 1995 it completed a major upgrade program regarding its Central Office equipment. This upgrade resulted in a extraordinary loss of \$1,610,228. Farmers stated a number of reasons for the upgrade. Among other things, Farmer stated its need for deployment of SSP functionality to meet the 1993 requirements of changing from the existing 800 NSX screening method of providing 800 access to database access allowing Farmers Telephone Cooperative to retain the 800 traffic. Farmers needed the deployment of SSP functionality to meet the 1995 requirements of the 800 data base access. Farmers stated that it improved its service to interexchange carriers and customers by upgrading each office for SS7 and class features. Farmers therefore requests extraordinary retirement of \$1,610,228 to be amortized over a period of five (5) years. Farmers states that even though this results in a reduction of net margins of \$322,045.60, this would not cause a rate increase to its customers.

The Commission has examined the proposal of Farmers and thinks that it is consistent with generally accepted accounting

principles. We therefore hold that the Request should be granted.

This Order shall remain in full force and effect until further
Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)